

EXHIBIT 18

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

IN THE MATTER OF)
) 00-CV-4471
)
ARMSTRONG WORLD INDUSTRIES,) Philadelphia, PA
) May 23, 2006
) 9:27 a.m.
)

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE EDUARDO C. ROBRENO
UNITED STATES DISTRICT JUDGE

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I N D E X

<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
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FOR THE CREDITORS:

Daniel Myer	21 (Fin)	61	96	99
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1 the witness and other counsel that have the exhibits just to be
2 used with this witness. If you would prefer to use the exhibit
3 set you already have up there, it's up to you. But, I have
4 collected in a notebook just the exhibits I'm going to use with
5 Mr. Myer. They're identical to the ones in your book.

6 THE COURT: Okay. Well, that will be fine. This
7 will be easier to handle. Thank you. Okay. Let's proceed.
8 We'll use the courtroom clock here, which is 9:53. And, we'll
9 begin now. Swear the witness, please, when you have a chance,
10 Mr. Matkowski.

11 DANIEL MYER, CREDITORS' WITNESS, SWORN

12 CLERK: Please state your full name.

13 MR. MYER: Daniel Myer, M-Y-E-R.

14 DIRECT EXAMINATION

15 BY MR. FINCH:

16 Q Nathan Finch for the Asbestos Claimants Committee. Mr.
17 Myer, could you turn in your exhibit binder to Exhibit 19?

18 A Yes, sir.

19 Q Does it accurately reflect your work and educational
20 history?

21 A Yes, sir.

22 MR. FINCH: Your Honor, we offer at this time Exhibit
23 19, and also 20, 21, 22, 23, and 24, as to which I understand
24 there's no objection.

25 THE COURT: Okay. Admitted without objection, is

1 that right?

2 MR. GORDON: No objection.

3 THE COURT: Okay.

4 BY MR. FINCH:

5 Q Could you briefly describe your background in asbestos
6 litigation, what you've done, who your clients have been?

7 A Well, I started back in 1982 with regards to managing --
8 handling asbestos related personal injury claims. At that
9 time, I was with Continental Insurance Company. In 1986, I
10 believe it was, I went to work in the capacity as a supervisor
11 in the claims department for the Asbestos Claim Facility. In
12 that capacity, I was involved with middle management
13 responsibilities for the evaluation, disposition, settlement of
14 cases on behalf of a number of different asbestos defendants
15 who were members of the Asbestos Claim Facility. I continued
16 in that position until 1988.

17 With the demise of the asbestos claim facility and
18 the creation of the Center for Claims Resolution, at which
19 point I was asked to stay aboard and become -- became the
20 director of claims for the Center for Claims Resolution. At
21 the CCR, I was responsible for the overall management of
22 asbestos claims, personal injury claims on behalf of
23 approximately 20 different defendants for about 36 different
24 jurisdictions across the country.

25 Q And, what -- would that include basically the entire

1 eastern part of the United States to the Mississippi River?

2 A Yes, sir.

3 Q You -- have you -- as part of your work, have you observed
4 trials of personal injury cases?

5 A Oh, yes, sir.

6 Q How many cases have you settled or overseen the resolution
7 of in your career in asbestos?

8 A I would estimate somewhere between 4 to -- 4 to 500,000
9 cases.

10 Q When you were with the CCR, Armstrong was one of the
11 members?

12 A Yes, sir.

13 Q And, did you attend settlement conferences on a regular
14 basis?

15 A All the time.

16 Q Could you describe for the Court who would be the parties
17 present at such settlement conferences?

18 A The parties would typically include defendant
19 representatives, plaintiff counsel, special masters, mediators,
20 arbitrators, Judges. Those parties would be involved in
21 settlement conferences typically.

22 Q After the CCR fell apart in early -- in January of 2001,
23 could you describe what you did then?

24 A Yes, sir. I -- after the CCR dissolved, I started up my
25 own company with three other partners. It's -- the name of the

1 company is called CMC, Claims Management Services. And, we
2 provide essentially the same service that we provided in the
3 CCR. That is to provide claim management, claims
4 administration on behalf of a number of different defendants
5 still involved actively in the tort system in the asbestos
6 personal injury litigation.

7 Q Did you settle cases for any former members of the CCR
8 after January of 2001?

9 A Yes, sir.

10 Q Would that include United States Gypsum?

11 A Yes, sir.

12 Q And, Union Carbide?

13 A Yes, sir.

14 Q And, you continue to represent Union Carbide today?

15 A Yes, sir, I do.

16 Q You mentioned in your deposition something called the
17 total gross value of a case.

18 A Yes, sir.

19 Q Could you describe for the Court what that is and how you
20 -- how you use it in your day to day settlement discussions?

21 A Sure. The total gross value of a case is what would
22 typically be referred to as the total amount of the settlement
23 that all defendants collectively have put together for purposes
24 of resolving a claim or a case. My responsibility insofar as
25 resolving cases on behalf of the defendants that I represent is

1 to ensure that whatever amount that I'm paying on behalf -- on
2 their behalf reflects their relative liability and, in turn,
3 from a dollar standpoint, their relative dollar amount of that
4 total gross value.

5 Q And, is that something you use every day in negotiations?

6 A Sure, yes.

7 Q Could you describe to the Court what is the total gross
8 value of a mesothelioma case in the 1999 to 2000 time frame?

9 MR. KRAVITZ: Your Honor, I'd like to object. I
10 don't think a proper foundation has been laid for his knowledge
11 of what the total gross value is, other than defendants are not
12 in the CCR. I haven't heard that foundation laid yet.

13 MR. FINCH: Your Honor, I think I established a
14 foundation. He discusses --

15 BY MR. FINCH:

16 Q Do you know the total gross value -- do you have an
17 understanding of the total gross value of the case?

18 A Yes, I believe I do.

19 Q And, that is based on your discussions with other
20 defendants?

21 A Well, I've interacted over the course of the last 20 years
22 with virtually every plaintiff counsel in the country and every
23 significant plaintiff lawyer in the country who's involved in
24 the asbestos litigation. I've interacted with numerous co-
25 defendants -- asbestos defendants in the context of managing

1 this litigation on behalf of, over the course of time,
2 approximately 40 to 50 different defendants. So, in that
3 respect, I think I -- that's where I base the knowledge of that
4 -- that factor.

5 Q And, would it also include discussions with Magistrates
6 and Judges and arb -- and mediators in settlement --

7 A Yes, sir.

8 Q -- conversations?

9 MR. FINCH: Your Honor, I think it is a proper
10 foundation.

11 THE COURT: Overruled.

12 BY MR. FINCH:

13 Q Could you -- what is your understanding of the total gross
14 value of a mesothelioma case in 1999 or 2000?

15 A In that time frame, the estimated total gross value of a
16 mesothelioma case was between 2 and a half to 3 and a half
17 million dollars.

18 Q And, today, in 2006, what is the total gross value of a
19 mesothelioma case?

20 A I believe the total gross value of a mesothelioma case
21 today is somewhere in the range of between 5 to \$8M.

22 Q You heard Mr. Shimshak describe all these elements of tort
23 reform that have occurred. Have -- what, if any, impact has
24 that had on the total gross value of a mesothelioma case?

25 A Very little.

1 Q It's gone up two or three times, right?

2 A Yes, sir.

3 Q In your work for the Center for Claims Resolution, did you
4 come to an understanding as to the primary bases for
5 Armstrong's asbestos liability?

6 A Yes, sir.

7 Q Could you describe to the Court what that is?

8 A The basis of their liability in the asbestos personal
9 injury litigation was their involvement in the overall
10 insulation contracting business.

11 Q And, could you describe what is the insulation contracting
12 business? What do you mean by that?

13 A They were involved in installing asbestos products,
14 primarily pipe and block insulation, asbestos containing
15 cements, those types of products over the course of a number of
16 years.

17 Q Installing other people's products in other words?

18 A Rebranded products, that's correct.

19 Q Kaylo, for example -- Owens Corning Kaylo?

20 A Kaylo, sure.

21 Q Did you come to an understanding of the geographic scope
22 and size of Armstrong's asbestos insulation contracting
23 business?

24 A I think most people, including myself, would have
25 considered Armstrong to be a national defendant. In other